



NEWS RELEASE

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FOR IMMEDIATE RELEASE:

Diversified Industries Announces Arrangement of \$725,000 Private Placement Financing

Sidney, British Columbia -- Diversified Industries Ltd. (TSX Venture: DVS) announces the Company has negotiated a non-brokered private placement for gross proceeds of up to \$725,000. Funds from the private placement, which is subject to regulatory approval, will be used in ongoing technology research and development programs and for working capital.

The private placement will consist of up to 1,726,190 units at a price of \$0.42 per unit. Each unit will consist of one common share and one non-transferable share purchase warrant. Each warrant will be exercisable for one common share at a price of \$0.55 within one year from the closing date or at \$0.70 during the second year. All shares and warrants will be subject to resale restrictions imposed by the Exchange and applicable securities law. Prior to the close of the placement, one or more investors intend to sell up to 1.1 million common shares at a price of \$0.48 per share via a "gypsy swap" transaction and then re-invest the proceeds of the trades by purchasing units in the private placement. The Company will pay a finder's fee in connection with this private placement. The finder's fee will include a cash portion and warrants with each warrant entitling the finder to purchase up to 138,000 additional common shares at a price of \$0.48 for two years.

Funds received from the private placement will be used to continue with the ongoing research and development programs for Diversified's technologies which at present include the DVS 6000 hydrogen sulphide (H₂S) scavenger for a variety of industrial uses, a lightweight proppant for use in oil and gas production, and its Therma-light Reflective Technology which is now in second-generation development. Funds will also contribute toward continued market development efforts on the DVS 6000 H₂S scavenger technology and general working capital over the next six months.

Diversified Industries is a product development and marketing company specializing in unique technologies and solutions that target a cross-section of industries. The Company's business development strategy is based on acquiring, funding and aiding in the commercialization of unique technologies and products in order to build long-term value for its shareholders.

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The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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